

**CARRIER PERFORMANCE AND EVALUATION PROCEDURES UNDER  
SURFACE GUARANTEED TRAFFIC**

1. REFERENCES:

a. **55 Federal Register 52976**, 32 CFR 619, HQ MTMC Carrier Qualification Program (CQP) of 24 Dec 90.

b. Guaranteed Traffic (GT) Rules Publication.

c. Appendix II, DLA Guaranteed Traffic (GT) General Rules, dated 20 Sep 89.

d. Letter, MT-INN (MTMC), subject: Letter of Warning/Removal and Administration of DLA GT Awards, dated 11 Jan 89.

e. Letter, MMATT, subject: Amendment to Carrier Performance and Evaluation Procedures, dated 24 Aug 93.

f. Letter Amendment, subject: Carrier Performance and Evaluation Procedures Under Surface Guaranteed Traffic, dated August 15, 1995.

2. GENERAL: This policy supersedes 95-03 of February 1, 1995, as amended on August 15, 1995. The memorandum provides guidance on DLA procedures for Carrier Performance Review and Evaluation under GT van, flatbed and specialized surface solicitations.

3. BACKGROUND: Carrier performance evaluation is an integral part of the DLA GT program. Criteria for carrier performance is defined in the GT solicitations. Actual performance is recorded and measured against GT performance standards for evaluation, and carrier warning and removal action.

4. RESPONSIBILITY: DLA Transportation Officers (TOs) are to ensure that all instructions stated in this memorandum are put into effect NLT 30 days after the GT carrier agreement award date. Copies of all local exceptions (other than local administrative) affecting a GT agreement must be forwarded to the HQ DLA, MMLSTT GT Action Officer prior to the effective date.

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SUBJECT: CARRIER PERFORMANCE AND EVALUATION PROCEDURES UNDER  
GUARANTEED TRAFFIC

5. DIRECTION (OPERATIONS):

a. Carrier Performance Criteria.

(1) Carriers awarded traffic under the GT agreements are expected to provide satisfactory service and fully adhere to all criteria within the agreement.

(2) A carrier may, at the discretion of the TO, be authorized an initial 30-day grace period to become familiar with the terms of the carrier performance requirements. This does not preclude a "Letter of Concern" from being issued which reflects notification of service failures.

(3) Reported service failures will result in certain actions to be taken, as stated in the GT agreement and DLA transportation policy.

(4) GT traffic awarded to the PRIME carrier for a region/grouping of states/point or round-trip award, only the PRIME carrier to that region/grouping of states/point/round-trip/DCMAO award will be evaluated. However, a letter of concern may be sent, and performance noted and held at origin.

b. Carrier Service Standards.

(1) Carrier is subject to warning/removal when transit times are met less than 95 percent of the time, or as stated in the GT agreement.

(2) Unless specifically stated otherwise, transit times are measured in **calendar days**, including Saturdays, Sundays and holidays.

(3) Transit time will begin on the day the Government bill of lading (GBL) is computer or manually generated and dated, or the date the GBL is signed by the carrier, depending on the individual depot requirements.

(4) The transit time will end on the day the shipment is delivered or the day the shipment is offered for delivery, whichever occurs first.

a. When transit time ends on a Saturday, Sunday or holiday, the shipment must be delivered on the next business day to be considered as delivered on-time.

b. Shipments whose transit time requires delivery on a non-business day require delivery the next business day to be considered delivered on-time.

(5) Delivery refusals must be accurately documented by the carrier, including the name and telephone number of the depot/installation/DCMAO personnel, and the time and date contacted.

(6) **Unless stated otherwise**, the carrier must provide the equipment within four (4) hours from the time of the request for service.

(7) Carrier must perform 100 percent on-time delivery when "expedited service" is requested.

(8) Carrier must provide dual drivers, when requested.

(9) **Unless otherwise stated**, carrier must deliver tendered shipments at least 95 percent of the time, within the allowable transit times, intact and without loss or damage.

(10) Unless otherwise agreed to, carrier must provide exclusive use of equipment, when required.

(11) Carrier must provide weekly delivery reports to the consignor.

(12) Carrier must maintain an equipment pool, as specified in the agreement and requested by the installation/depot/office TO.

(13) Carrier must provide clean, odor free equipment.

(14) Carrier must comply with all other requirements specified in the GT agreement.

(15) Carrier must hold the authority to transport hazardous material required at the time the GT bid is presented.

(16) Carrier must provide trained and commercially licensed drivers at the time the GT bid is presented.

c. Performance Determination

Adhere to the following considerations before making a final decision as to issue a "Letter of Concern", "Letter of Warning" or "Letter of Removal" for carriers not performing satisfactory service. Considerations are not all inclusive.

(1) Acts of God,

(2) Inclement weather in the shipping/stop-off/receiving area which deters transit,

(3) Low volume of freight on which to base a decision.

(a) On low volume of freight regions, a concerted effort must be made to show an inability by the carrier to perform over several evaluation periods.

(b) Conversely, on high volume channels, one or two missed pick-ups or late deliveries may have little negative impact and may not justify a "Letter of Warning/Removal", merely a "Letter of Concern".

(4) Installation closure or requested late delivery.

d. Transit Time Computation

(1) Carrier transit time is computed according to the Julian date.

(a) Figure the Julian date that the shipment left the consignor.

(b) Subtract the Julian date the shipment was received at destination.

(c) Transit time in days will be identified by the numeral when the computations at d.(1)a. and d.(1)b. are performed.

(2) Example: a shipment departed the origin on Julian date "280" and arrived on the Julian date "283". To determine the transit time, subtract the lesser Julian date from the greater Julian date.

(3) Calculation:  $283 - 280 = 3$  days transit time.

(4) Compare the transit time for the state shown on the individual rate tender or in the General Rules. If the transit time for the shipment exceeds the desired transit time, unless otherwise instructed, the shipment is not on-time. (See c. above, "Carrier Performance Determination", for exceptions.)

e. **"Letter of Concern"** procedures.

(1) The TO or a designated person, will contact the carrier to resolve the service failure. The carrier must

respond as to why the service failure occurred, provide evidence of actions taken to prevent recurrence, and specify a date the problem will be corrected. (A sample "Letter of Concern" is at enclosure 1.)

(2) A **"Letter of Concern"**, which documents the carrier service failures, may be sent. All actions taken must be carefully documented by TO personnel. The letter could serve as formal warning to correct service failures. A copy of the **"Letter of Concern"** will be sent to the DLA Region/District and to the carrier.

(3) If the service failure(s) is/are not corrected by the agreed upon date, the TO will prepare and send an official **"Letter of Warning"** to the carrier. The letter will address the specific carrier service failure(s) and inform the carrier that any recurrence/occurrence of a service failure(s) will result in the carrier being immediately removed from the award of traffic.

f. The "Letter of Warning" procedures.

(1) The "Letter of Warning" will identify a TO point of contact and be mailed to the DLA Region/District and to HQ MTMC, Attn: MTOP-T-ND (depot) or MTOP-T-NI (DCMC vendor), MTOP-QEC.

(2) All "unsatisfactory" carrier performance actions dealing with carrier "warning" or "removal" actions must be documented on a verbal conversation record, with the date, time, carrier point of contact and summary of action taken.

(3) Carrier performance is determined by the region/district individually, even if a carrier is awarded multiple regions/installations/points from one installation or one point. A service failure at one region/point/round-trip does not imply removal from another region/point/round-trip award served by the same carrier.

(4) Letters will identify service failures to one region/point round trip award, only.

g. Carrier removal/"Letter of Removal" procedures.

(1) The depot/DCMAO TO will provide a draft facsimile (FAX) copy of the carrier "Letter of Removal" to the DLA Region/District transportation office on carrier removal actions. The verbal concurrence for removal will come from a designated Region/District representative and be verbally coordinated with

HQ MTMC.      **(A sample "Letter of Removal" is at enclosure 2.)**

(2) The letter will not reflect a date of removal. The removal date will be negotiated between HQ MTMC and the 1st alternate carrier, who will take over as the PRIME carrier. An information copy of the letter of removal will be faxed to HQ DLA (MMDTT/MMDTS) at DSN 427-3628 or (703) 767-3628, and to HQ MTMC, at (703) 681-8388.

(3) Disqualifications are final and will never be on a "temporary" basis, unless authorized by HQ MTMC. A carrier may not be reinstated once the carrier is removed as PRIME carrier to a point, region or round trip, for the duration of the solicitation under which the removal occurred.

(4) Following approval of the removal action by the DLA Region/District, the TO will:

a. Coordinate with HQ MTMC, who will remove the PRIME carrier and notify when the 1st alternate carrier can take over the traffic.

b. Send a letter to the carrier specifying service failures, which serve as the official document for carrier removal from GT traffic as the PRIME carrier for that region/point/round trip movement.

c. Disputes with the carrier will be resolved at the DLA Region/District level. Billing problems must be resolved with HQ MTMC.

d. Conversations dealing with carrier removal actions must be documented on a verbal conversation record with the date, time, point of contact and action taken.

e. Carrier performance is determined by region or point individually, even if a carrier is awarded multiple regions/points from one installation or one point. A service failure at one region/point/round trip, does not imply removal from another region/point, or round-trip award.

f. Letters will identify service failures to a single region/point-to-point/round-trip award, only.

h. Additional carriers beyond PRIME plus alternates

(1) If additional carriers beyond the PRIME plus designated alternates required, contact HQ MTMC at DSN 761-6554 or (703) 681-6554, attention the appropriate MTMC Negotiations

Technician; DCMC Offices/Vendors should contact HQ MTMC at DSN 761-6870 or (703) 681-6870, attention the appropriate MTMC Negotiations Technician for Van, Specialized or Flatbed equipment, to obtain additional carriers.

(2) Prior to contacting HQ MTMC for additional carriers to a region/grouping of states/point, carefully document when each carrier was called and their reason(s) for not being able to provide the shipment pick-up.

## 6. DIRECTIONS (ADMINISTRATIVE)

### a. HQ DLA (MMLSTT) will:

(1) Formulate carrier performance/removal policy.

(2) Coordinate with HQ MTMC concerning carrier performance requirements in GT agreements.

(3) Provide guidance to DLA Regions/Districts on carrier performance issues.

(4) Resolve all issues concerning clarification/changes to the DLA GT Rules.

### b. DLA Region/Defense Contract Management Districts will:

(1) Coordinate with depot/installation/DCMAO TO concerning GT solicitations to ensure consistency of carrier performance criteria, transit times and enforcement.

(2) Monitor depot/installation/DCMAO TO shipping procedures to assure compliance with carrier performance policy.

(3) Interface with HQ DLA/MMLST concerning carrier performance policy and procedures.

(4) With adequate justification, approve/disapprove carrier removal from GT agreements.

### c. DLA depot/installation/DCMAO TO will:

(1) Maintain accurate and defensible carrier performance records.

(2) Provide administrative support for shipping and receiving, as stated in "Depot Operations and Requirements" of the GT agreement, if applicable.

(3) Comply with reporting requirements stated in these guidelines, the GT agreement and appropriate DLA regulations.

(4) Send "Letters of Concern", "Letters of Warning" and "Letters of Removal" via the United States Postal Service "Certified Mail", to the point of contact and address named on the awarded tender/agreement.

(5) Facsimile a copy of the "Letter of Removal" to HQ DLA and HQ MTMC.

7. CONCLUSION: MMLST points of contact are Betty Yanowsky, DSN 427-3638, (703) 767-3638 and Fred Crawmer, DSN 427-3621, (703) 767-3621. The facsimile number is DSN 427-3628 or 703 767-3628.

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DAVID A. ELLISON  
Colonel, USAF  
Assistant Executive Director  
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cc:  
DDRE-TT  
DDRW-TT  
DLA depots  
DCMDs  
DCMAOs  
MTOP-T-ND

perltr.wpd  
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